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IN THE

Supreme Court of the United States

OCTOBER TERM, 1957

No. 641

JEROME S. SPEVACK, *Petitioner*

v.

LEWIS L. STRAUSS ET AL, *Respondents*

BRIEF OF AMERICAN CHEMICAL SOCIETY AS AMICUS CURIAE IN SUPPORT OF PETITIONER'S PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE DISTRICT OF COLUMBIA CIRCUIT

AMERICAN CHEMICAL SOCIETY

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OPINIONS BELOW

The District Court rendered no opinion on entering its Findings of Fact and Conclusions of Law, and Order Denying Petitioner's Motion for a Preliminary Injunction. (R. 17, J.A. 17).

The opinion of the Court of Appeals (Petitioner's Appendix B, pages 6a-9a) is reported at 248 F.2d 752.

JURISDICTION

The judgment of the Court of Appeals was entered on September 19, 1957. (Petitioner's Appendix C, page 9a). Petitioner's petition for rehearing (R. 95-120) was denied October 25, 1957 (R. 123). The jurisdiction of this Court is invoked under 28 U.S.C., Sec. 1254.

INTEREST OF THE AMICUS CURIAE

The American Chemical Society is a scientific and educational organization chartered by Act of Congress. Its membership, which includes Petitioner, embraces more than 80,000 chemists and chemical engineers engaged in the practice of their profession, all of whom are vitally interested in the issues presented in this case by the decision of the Court below.

This Amicus Curiae, through the submission of its brief herein, supports the petition for a writ of certiorari to the United States Court of Appeals for the District of Columbia Circuit to the end that that Court's decision be reviewed so that this Court may determine whether the Atomic Energy Act of 1954 (sometimes hereinafter called the "Act") authorizes the Atomic Energy Commission (sometimes hereinafter called the "Commission") to publish details of inventions revealed to it in confidence pursuant to statutory requirements, which inventions in turn are subjects of patent applications, without regard to rights of inventors in respect of their patent applications.

The importance of this question to members of the American Chemical Society cannot be overstated. Possibly in no other profession are so many engaged

in both basic and applied research. From this research flow thousands of applications for patents each year, many of which, unless the decision below is reversed, would be subject to the arbitrary and confiscatory treatment proposed to be accorded to Petitioner herein.

In submitting its brief, this Amicus Curiae seeks to persuade this Court to review the question as to whether Congress has authorized the Commission to publish or otherwise publicly to disseminate the subject matter of a pending United States patent application, without the consent of the inventor, thereby depriving the inventor of his proprietary rights in said subject matter without due process or just compensation.

This Amicus Curiae has filed no brief or memorandum, nor has it otherwise participated in the proceedings below, nor has it knowledge of the record below because that record was impounded.

QUESTIONS PRESENTED

The questions numbered (1) and (2) presented by Petitioner herein are stated thus:

> 1 (*Statutory Construction*). Whether the Atomic Energy Act of 1954 is correctly interpreted to direct or authorize the Respondents to deprive a citizen of private property rights in his invention, forming the subject matter of a pending U. S. patent application, and disclosed to the U. S. Atomic Energy Commission (sometimes termed A.E.C. hereinafter) in confidence in accordance with law, by publishing and/or publicly disseminating said subject matter without regard to the proprietary rights of the inventor thereof, without his consent, and to his detriment, where such Act makes no provision for just compensation or due process of law for such deprivation.

2 (*Constitutionality of Statute*). Whether Sections 3(b), 141 and 141(b) of the Atomic Energy Act of 1954 (42 U.S.C. Secs. 2013(b), 2161, and 2161(b))—interpreted to direct or authorize the Respondents to publish and/or publicly disseminate the subject matter of Petitioner's invention not owned by the United States (which is the subject of a pending U. S. patent application, and was disclosed to the A.E.C. in confidence by Petitioner and by the Patent Office in accordance with law) and thereby deprive the Petitioner of property rights in his said invention without his consent—are unconstitutional where said Act fails to provide for just compensation or due process of law for such deprivation, as required by the Fifth Amendment to the Constitution of the United States.

This Amicus adopts the statement of Petitioner as to these two questions.

CONSTITUTIONAL AND STATUTORY PROVISIONS INVOLVED

The constitutional and statutory provisions involved are United States Constitution, Article 1, Section 8; 5th Amendment; Atomic Energy Act of 1954, Sections 1, 2, 3, 11, 141, 142, 146; Patent Act of 1952, Sections 122, 181, all of which are set forth in Petitioner's Appendix A, pages 1a to 5a, inclusive. In addition, this Amicus Curiae cites the following sections of the Atomic Energy Act of 1954, the applicable portions of which are set forth in Appendix A, *infra:* 11(t); 151 (a); (b); 152; 153(a), (g); 158; 173.

STATEMENT OF THE CASE

In the interest of brevity, this Amicus Curiae incorporates by reference herein the statement of the case as set forth in the Petitioner's Petition for Writ of Certiorari herein.

REASONS FOR GRANTING THE WRIT

1. The Decision of the Court Below That the Atomic Energy Act of 1954 Authorizes the Atomic Energy Commission to Publish and Otherwise Publicly to Disseminate the Subject Matter of a Pending United States Patent Application, Thereby Destroying the Proprietary Rights of the Inventor Therein, Is Contrary to the Language and Meaning of That Act.

In addition to the reasons set forth by the Petitioner in his Petition, this Amicus submits that there is another and perhaps more basic reason why this Court should review the decision of the Court of Appeals.

The opinion of the Court below states in part as follows:

> "It is also plain that Congress authorized the Commission to take action of this general sort; i.e., to disseminate technical information in the field of atomic energy. Congress did not leave the matter to implication. It expressly stated its intention to provide 'a program for the dissemination of unclassified scientific and technical information and for the control, dissemination, and declassification of Restricted Data, subject to appropriate safeguards, so as to encourage scientific and industrial progress . . . It shall be the policy of the Commission to control the dissemination and declassification of Restricted Data in such a manner as to assure the common defense and security. . . . The dissemination of scientific and technical information relating to atomic energy should be permitted and encouraged . . .' 42 U.S.C. (Supp.

IV) §§ 2013(b), 2161, 2161(b)." (Petitioner's App. A, page 7a).

It must be observed in the first instance that the provisions relied upon by the Court of Appeals are quoted from those sections establishing the purpose of the Act and policy of the Commission in respect of *control of information*, i.e., in respect of the Commission's authority to *restrict* the dissemination of information. There is no language in these sections or elsewhere in the Act evincing an intention to authorize the Commission to disseminate information which it otherwise would not have the right to publish, and, more particularly, to publish the subject matter of a pending United States patent application, thereby destroying the proprietary rights of the inventor.

To the contrary, the Atomic Energy Act of 1954 recognizes that inventors do have proprietary rights in their inventions, discoveries and patents in the area of atomic energy. Although the Act does in many instances limit the proprietary rights of inventors, such limitations and restrictions are set forth with specificity. For instance, consider the following examples:

a) Patents may *not* be granted for any invention useful in the utilization of special nuclear material or atomic energy in an atomic weapon.[1] 42 U.S.C. § 2181 (a) (b). (Appendix A, *infra*, page 1a). This implies that patents may be granted as to other inventions in or related to the field of atomic energy.

[1] The definition of "special nuclear material" at 42 U.S.C. § 2014 (*t*) (Appendix A, *infra*, page 1a) does not include the subject matter of Petitioner's patent application. Nor is the subject matter of Petitioner's patent application used in the utilization of atomic energy in atomic weapons, according to the petition for writ of certiorari.

b) Certain inventions conceived under contracts with the Atomic Energy Commission are deemed to have been made or conceived by the Commission, although the Commission may waive its claim to such inventions and allow the inventor to be issued a patent. 42 U.S.C. § 2182. (Appendix A, *infra*, pages 1a-2a). It is here implied that as to inventions *not* conceived during Commission contracts, inventors retain full proprietary rights in their inventions, including the right of secrecy of the subject matter of their patent applications.

c) To guard against patents granted after enactment of the Act for inventions or discoveries of primary use in the utilization or production of special nuclear material or atomic energy being used in violation of antitrust laws, a procedure is established to provide relief against the monopolistic use of such patents. 42 U.S.C. § 2188. (Appendix A, *infra*, page 3a). Under these circumstances, reasonable royalty fees are provided for patent owners. *Ibid.* But Respondents apparently take the position that whereas law violators are protected in their property rights, nevertheless, Petitioner, against whom no wrongdoing is asserted, may be deprived of his rights without due process or just compensation.

The petition for certiorari does not indicate that Petitioner's invention or patent application is particularly covered by any of the foregoing sections of the Act, nor does this Amicus Curiae so imply. However, these sections suggest that Congress has circumscribed in such detail the rights and obligations of inventors in the field covered by the Atomic Energy Act that it reasonably may be concluded that the property rights of inventors in their discoveries are limited only in the manner provided by the Act.

The Act does not provide for the destruction of Petitioner's proprietary right, which would be the effect of Respondents' proposed publication.

It does not grant to Respondents authority to publish the subject material.

It makes no provision for just compensation upon destruction of Petitioner's proprietary right, although in other instances where the statute recognizes a proprietary right in the inventor and provides for a deprivation or limitation of such right, just compensation also is provided: e.g., 42 U.S.C. §§ 2181, 2183(g), 2188, 2223 (Appendix A, *infra,* pages 1a, 2a, 3a). The provision in 42 U.S.C. § 2223 for just compensation upon communication by the Commission of *Restricted Data* based on patent applications not belonging to the United States raises a serious question as to the authority of the Commission to publish *Unrestricted Data* based on patent applications not belonging to the United States. The proprietary right in the subject matter of a patent application is not diminished by the absence of security classification of the particular invention.

Accordingly, this Amicus Curiae respectfully submits that this Court should review the decision of the Court of Appeals so as to determine whether that Court erred in holding that Congress had authorized the Commission to publish or otherwise publicly to disseminate the subject matter of a pending United States patent application, thereby destroying the proprietary rights of the inventor therein.

Inasmuch as the case at bar challenges directly the statutory authority of Respondents to make the proposed publication, it is clearly distinguishable from this

Court's ruling in *Larson* v. *Domestic & Foreign Corp.*, 337 U.S. 682 (1949). This is not a suit against the United States, consented or unconsented.

There being grave doubt that the Court below has construed the statute correctly, and there flowing from the decision below grave and adverse consequences upon the scientific resources of this country when they are most needed in full strength, it is respectfully submitted that the petition for certiorari should be granted.

2. If the Decision of the Court Below Is Correct, the Atomic Energy Act of 1954 Is an Unconstitutional Deprivation of Property Without Due Process or Just Compensation.

The argument that the Atomic Energy Act of 1954 does *not* authorize the Atomic Energy Commission to publish the subject matter of a pending United States patent application, thereby destroying the proprietary rights of the inventor therein, where there is no provision for just compensation, is strongly fortified by the constitutional consequences of a contrary conclusion.

If the Atomic Energy Commission had been granted such authority, without provision for compensation, the Act would have been to that extent an unconstitutional deprivation of Petitioner's rights under the Fifth Amendment, inasmuch as the subject matter of a patent application is a property right recognized in Article 1, Section 8, United States Constitution, to be protected against appropriation by government.

CONCLUSION

WHEREFORE, It is respectfully submitted that for the reasons given Petitioner's petition for a writ of certiorari should be granted.

Respectfully,

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APPENDIX A

Section 11(t) (42 U.S.C. Supp. IV § 2014)

* * * * *

"(t) The term 'special nuclear material' means (1) plutonium, uranium enriched in the isotope 233 or in the isotope 235, and any other material which the Commission, pursuant to the provisions of section 2071 of this title, determines to be special nuclear material, but does not include source material; or (2) any material artificially enriched by any of the foregoing, but does not include source material."

* * * * *

Section 151 (a), (b); (42 U.S.C. (Supp. IV) § 2181)

"(a) No patent shall hereafter be granted for any invention or discovery which is useful solely in the utilization of special nuclear material or atomic energy in an atomic weapon. Any patent granted for any such invention or discovery is revoked, and just compensation shall be made therefor.

(b) No patent hereafter granted shall confer any rights with respect to any invention or discovery to the extent that such invention or discovery is used in the utilization of special nuclear material or atomic energy in atomic weapons. Any rights conferred by any patent heretofore granted for any invention or discovery are revoked to the extent that such invention or discovery is so used, and just compensation shall be made therefor."

Section 152; (42 U.S.C. (Supp. IV) § 2182)

"Any invention or discovery, useful in the production or utilization of special nuclear material or atomic energy, made or conceived under any contract, subcontract, arrangement, or other relationship with the Commission, regardless of whether the contract or arrangement involved the expenditure of funds by the Commission, shall be deemed

to have been made or conceived by the Commission, except that the Commission may waive its claim to any such invention or discovery if made or conceived by any person at or in connection with any laboratory under the jurisdiction of the Commission as provided in section 2053 of this title, or under such other circumstances as the Commission may deem appropriate. . . .

"The Commissioner of Patents may proceed with the application and issue the patent to the applicant (if the invention or discovery is otherwise patentable) unless the Commission, within 90 days after receipt of copies of the application and statement, directs the Commissioner of Patents to issue the patent to the Commission (if the invention or discovery is otherwise patentable) to be held by the Commission as the agent of and on behalf of the United States. . . ."

• • • • •

Section 153 (a), (g); (42 U.S.C. (Supp. IV) § 2183)

"(a) The Commission may, after giving the patent owner an opportunity for a hearing, declare any patent to be affected with the public interest if (1) the invention or discovery covered by the patent is of primary importance in the production or utilization of special nuclear material or atomic energy; and (2) the licensing of such invention or discovery under this section is of primary importance to effectuate the policies and purposes of this chapter.

(g) The owner of the patent affected by a declaration or a finding made by the Commission pursuant to subsection (b) or (e) of this section shall be entitled to a reasonable royalty fee from the licensee for any use of an invention or discovery licensed by this section. Such royalty fee may be agreed upon by such owner and the patent licensee, or in the absence of such agreement shall be determined for each patent license by the Commission pursuant to section 2187(c) of this title."

• • • • •

Section 158; (42 U.S.C. (Supp. IV) § 2188)

"Whenever the owner of any patent hereafter granted for any invention or discovery of primary use in the utilization or production of special nuclear material or atomic energy is found by a court of competent jurisdiction to have intentionally used such patent in a manner so as to violate any of the anti-trust laws specified in section 2135(a) of this title, there may be included in the judgment of the court, in its discretion and in addition to any other lawful sanctions, a requirement that such owner license such patent to any other licensee of the Commission who demonstrates a need therefor. Such licensee shall pay a reasonable royalty fee, to be determined in accordance with section 2187 of this title, to the owner of the patent."

• • • • •

Section 173; (42 U.S.C. (Supp. IV) § 2223)

"In the event that the Commission communicates to any nation any Restricted Data based on any patent application not belonging to the United States, just compensation shall be paid by the United States to the owner of the patent application. The Commission shall determine such compensation. If the compensation so determined is unsatisfactory to the person entitled thereto, such person shall be paid 75 per centum of the amount so determined, and shall be entitled to sue the United States in the Court of Claims or in any district court of the United States for the district in which such claimant is a resident in a manner provided by section 1346 of Title 28 to recover such further sum as added to such 75 per centum will constitute just compensation."